REMARKS/ARGUMENTS

The Final Office Action of September 20, 2005 has been carefully reviewed and these remarks are responsive thereto. Claims 1, 3-7, 9, 11, 19-21, 23-28, 30, 33, and 42 have been amended, claims 74-78 have been cancelled, and no new claims have been added. Claims 1-11, 19-40, 42-49, 51-56, 59-70, and 72-73 thus remain pending. Reconsideration and allowance of the instant application are respectfully requested.

Applicants submit that the present amendments are proper after a final rejection because the amendments are only made to cancel claims or to incorporate dependent claims into their respective independent claims to place them in better form for appeal. No new issues are raised by the present amendments.

Rejections Under 35 U.S.C. § 112

Claims 1, 19, 24, 33, and 42 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. To expedite prosecution, Applicants have amended claims 1, 3-7, 9, 11, 19-21, 23-28, 30, 33, and 42 to recite "a virtual folder item," rather than a "non-physical-folder item." Independent claims 1, 19, 24, 33, and 42 meet the definiteness requirement of35 U.S.C § 112, second paragraph.

Applicants further note that claims 74-78, each of which recite a "virtual folder," and which are dependent on claims 1, 19, 24, 33, and 42, respectively, have been cancelled. Thus, the above amendments place the application in better form for appeal, and do not raise new issues that would require further consideration and/or search.

Rejections Under 35 U.S.C. § 103(a)

Claims 1-11, 19-40, 42-49, 51-56, 59-70, and 72-78 stand rejected under 35 U.S.C. § 103(a) as being obvious over U.S. Patent Appl. Publ. No. US 2003/0225796 A1 to Matsubara (hereinafter *Matsubara*) in view of U.S. Patent Appl. Publ. No. 2002/0033844 A1 to Levy et al. (hereinafter *Levy*). Applicants respectfully traverse this rejection for at least the following reasons.

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In order to reject a claim as obvious under § 103(a), the prior art reference(s) must teach or suggest all the claim limitations. *See* MPEP § 706.02 (j). As correctly indicated in the Office Action, *Matsubara* does not teach "storing information, corresponding to the item to be shared and corresponding to the sharee, on the sharer's computer," as recited in claim 1. Office Action, page 7, lines 1-2. The Office Action implies that *Levy* teaches this feature because *Levy* "teaches browsing directories of files in a local computer or across a network having a peer-to-peer file sharing system." Office Action, page 7, lines 3-4. However, Applicants point out that browsing directories of files in a peer-to-peer file sharing system does not teach or suggest "storing information...corresponding to the sharee, on the sharer's computer." At best, Levy stores information about the sharer, on the sharee's computer, not the other way around, as claimed.

Peer-to-peer file sharing systems are well-known, and adequately described in *Levy*, paragraphs 0065 and 0190, and in *Matsubara*, paragraphs 0005 through 0009. However, nowhere in these sections, or elsewhere throughout *Levy* or *Matsubara*, is the element of "storing information...corresponding to the sharee, on the sharer's computer" taught or suggested. Peer-to-peer file sharing methods store files on individual client machines and provide for the uploading and downloading of these files between clients. However peer-to-peer systems do not support sharee identification or permissions data to be stored with the file. This limitation of typical peer-to-peer systems is a major drawback to the security and robustness of peer-to-peer based file sharing applications. *Matsubara* attempts to overcome this limitation with a central server system, through which all clients must interact before sharing files with other clients. *Matsubara*, Abstract. But, as stated above, *Matsubara* does not store sharee information on the sharer's computer. Office Action, page 7, line 1-2. *Levy* merely discloses a typical peer-to-peer file sharing system, also without any sharee information stored on the sharer's computer. Therefore, neither *Matsubara* nor *Levy*, nor the proposed combination of the two, teaches or suggests "storing information, corresponding to the item to be shared and corresponding to the sharee, on the sharer's computer," as recited in claim 1. Dependent claims 2-11, 49, 55-56, and 70 are allowable for at least the same reasons as claim 1, as well as based on the additional features recited therein.

Similar features in independent claims 19, 24, 33, 42, 67, 69, stand rejected under the same proposed combination of *Matsubara* and *Levy*. For the reasons stated above in regard to

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claim 1, claims 19, 24, 33, 42, 67, 69, as well as their respective dependent claims, 20-23, 25-32, 34-41, 43-66, 68, and 70-73, are allowable under 35 U.S.C. § 103(a). Additionally, Applicants maintain that dependent claims 4, 7, 9, 10, 23, 30-31, 39-40, 48, 56, 60, 62, 64, 66, 70, 72, and 73 are further allowable for the reasons put forth by the Applicants in the Amendment of July 8, 2005.

CONCLUSION

All rejections having been addressed, Applicants respectfully submit that the instant application is in condition for allowance, and respectfully solicits prompt notification of the same. However, if for any reason the Examiner believes the application is not in condition for allowance or there are any questions, the examiner is requested to contact the undersigned at (202) 824-3153.

Respectfully submitted,

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Dated this 19 day of Nov., 2005

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